

PHILADELPHIA INQUIRER
27 February 1987

CIA role in Iran arms dealings threatens approval of new chief

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WASHINGTON — The Tower commission's criticism of the CIA's role in the Iran-contra affair has heightened concerns about whether Robert M. Gates should be confirmed as director of central intelligence.

The commission reported yesterday that former CIA Director William J. Casey knew that funds from covert U.S. arm sales to Iran might have been diverted to the Nicaraguan contra rebels "almost a month before the story broke," but that he did not notify President Reagan.

Casey "did not move promptly to raise the matter with the President," the commission stated in its report. "Yet his responsibility to do so was clear."

While the report did not make clear the extent of Gates' knowledge of the Iran-contra affair, the fact that Gates was serving as deputy director has caused some concern in Congress.

The report said Gates supplied information on the Soviet threat to Iran to National Security Council aide Lt. Col. Oliver L. North, who relayed it to Iranian arms dealer Manucher Ghorbanifar at a meeting in Paris on March 8. Fears that the Soviets could win control over Iran in case of the death of Ayatollah Ruhollah Khomeini was cited by some in the administration to justify the arms initiative.

Yesterday, Sen. Bill Bradley (D., N.J.), a member of the Senate Intelligence Committee, said the report "confirms the concerns I've had all along, and that I expressed to Mr. Gates last week, that the CIA tailored its intelligence assessment on Iran to fit the needs of the policy makers at the White House."

The chairman and vice chairman of the intelligence committee, which is considering Gates' nomination, Daniel K. Inouye (D., Hawaii) and Warren B. Rudman (R., N.H.), yesterday called for a delay in the confirmation vote. Sen. Arlen Specter (R., Pa.) has asked Reagan to withdraw Gates' nomination.

The Tower commission harshly criticized Casey and the CIA, charging that the agency provided "clearly inadequate" intelligence information throughout the arms sales initiative, and that it readily ceded



Robert M. Gates
Confirmation in question

control to North and the National Security Council.

"Director Casey appears to have been informed in considerable detail about the specifics of the Iranian operation. He appears to have acquiesced in, and to have encouraged North's exercise of, direct operational control over the operation," the report said.

"Indeed, Director Casey should have ... pressed for operational responsibility to be transferred to the CIA," the report said. The CIA was in a better position to check out the reliability of intermediaries used in the arms sales, and the agency would have been more likely to notify Congress of the operation, the report

said.

The report also noted that Casey was an early supporter of the Iran arms sales initiative.

When the arms sales began, several CIA officials attended planning sessions for the initiative. The Tower commission found that the CIA officials essentially followed North's orders, allowing him and a private network of arms dealers and intermediaries to control the operation.



William J. Casey
Yielded control of arms operation

The report further criticized the CIA for failing to volunteer that it believed that Ghorbanifar, the Iranian arms merchant, was unreliable. Ghorbanifar failed a CIA lie detector test Jan. 11, 1986; less than a week later, the U.S. government became even more involved with him, the report said.

The Tower commission also reported that a CIA field officer in Costa Rica had a direct communications link with North and gave him information that he apparently used to coordinate at least nine arms shipments to the contras between March and June 1986 — a time when U.S. military aid to the contras was banned.

When the commission asked him about the shipments, the CIA officer said, "This [the materiel] was all lethal. Benefactors only sent lethal stuff."

The CIA officer told the commission, however, that North had said the officer's actions were legal.

When he asked North, "Are you sure this is OK?" the CIA officer said that North replied, "Yes, yes, all you're doing is passing information," the report said.